

MEMORANDUM FOR:

Mr. Casey

Herewith letter to which Mrs. Ruppe referred
and which has been referred to OGC. with suspense date
of 31 October.

Also attached are background letters.

betty

28 OCT 1983

Spoken preparing

reference

*20K
10/28*

Date 26 October 1983

Peace Corps

Dear Mr. Casey.

There are other matters that pertain to this letter's contents that would reinforce even further, I feel, the position that should be upheld. If you would be interested

EXECUTIVE SECRETARIAT**Routing Slip**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS				
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8	DDS&T				
9	Chm/NIC				
10	GC	X			
11	IG				
12	Compt	DDI	10/25/83		
13	D/EEO				
14	D/Pers				
15	D/OEA				
16	C/PAD/OEA				
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SUSPENSE		31 October			
		Date			

Remarks:

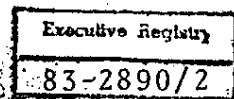
Recommendation please to DCI
together with a reply for his signature.

JRC
Executive Secretary

21 October 1983

Date

3637 (10-81)



Office of the Director

October 18, 1983

Mr. William J. Casey
Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Casey:

I am responding to the points which you raised in your letter of July 25, 1983 concerning the Peace Corps intelligence policy. You have outlined three remaining areas in which our two agencies have not as yet reached full accord, and suggested possible resolutions which would be acceptable to the CIA.

The first issue you raised is with respect to the wording of the general statement concerning the policy which we propose to publish in the Federal Register as part of our regulations defining the qualifications for Peace Corps Volunteer service. After discussions with our General Counsel, I have determined that the deletion of the language which you have proposed would be acceptable to the Peace Corps.

I also find that we are able to concur with your suggestions regarding a clarification of the application of the policy to the relatives of CIA employees. This should resolve your concerns about that particular aspect of the rule.

However, I am not able to concur with your final point, your proposal that the lifetime bar to Peace Corps service by former CIA employees be reduced to a ten year limitation with an option to extend the bar beyond ten years on a case by case basis. I have given this matter a great deal of thought, realizing the importance of the issue to the CIA, the adverse impact the present policy may have on the career aspirations of former CIA personnel, and the potential loss to the Peace Corps in terms of highly qualified personnel. However, I have concluded that, notwithstanding these factors, maintaining the present policy is of critical importance to the Peace Corps.

I should first like to point out that accepting your suggested substitution for the current policy would represent a substantial retreat from a practice which has been uniformly enforced from the inception of the Peace Corps in 1961 to the present time. It is a practice, I might add, which has been recognized and respected over the years by the CIA (see attached letter dated March 31, 1976 from F.W.M. Janney, Director of Personnel, CIA, to Richard Doyle, Associate General Counsel, ACTION). The



- 2 -

modification of the policy which you propose would therefore inevitably raise questions regarding both the CIA's insistence on a more flexible rule, and the Peace Corps' decision to acquiesce in such a change. One conclusion which would undoubtedly be voiced by those hostile to the Peace Corps is that the CIA is seeking to use our agency as the basis for covert operations.

This charge would be difficult for the Peace Corps to rebut, particularly overseas. Even if we were to restrict our acceptance of former CIA personnel to individuals who had not worked for the CIA for at least 10 years and who had, while employed there, performed only duties entirely unrelated to the Agency's intelligence functions, it is my belief that we would be unable to convince some segments of the public that those persons were not using the Peace Corps as a cover for covert activities. That is because of two popular misconceptions which are particularly prevalent in the Third World. The first is that once an individual is employed by the CIA, he or she remains available for agency operations or continues in the Agency's employ for the duration of his or her career. The second is that all CIA employees can be assumed to be engaged in covert activities regardless of their official titles. The latter misconception is perhaps enhanced by occasional journalistic exposes of CIA operations and by the Agency's own restrictive practices with respect to the release of information about its personnel structure.

Our ability to survive numerous attempts to impair the credibility of Peace Corps Volunteers by attempting to identify them as CIA agents has been greatly enhanced by the inability of person or groups making such allegations to provide a shred of substantiation for their charges. I am afraid that the presence of a former CIA employee in the Peace Corps, no matter what the individual's association with the Agency might have been, would provide the linkage necessary to lend credibility to such accusations.

The misconceptions I have noted above would also make the administration of the intelligence policy on a case by case basis with respect to former CIA employees next to impossible. Since the policy is one based as much on perception as on reality, such factors as elapsed time since the individual last served with the CIA or the duties performed while in CIA employ would be meaningless. In fact, I would be hard put to think of circumstances under which I would be able to accept a former CIA employee for Peace Corps service with any certitude that in doing so I would not jeopardize our program, either locally or worldwide. For that reason, a policy purporting to consider each individual's case on its merits would be a cruel sham since all or almost all such applicants would have to be rejected.

Finally, I am concerned about the impact a dilution of the policy would have on past and present volunteers and staff of the Peace Corps. I am very hesitant to take any action which might undermine their faith in the complete separation of the Peace Corps from the intelligence activities

- 3 -

of the Government. Yet that is my fear with respect to how they would view a decision to lift the lifetime bar on the services of former CIA personnel.


I cannot agree with your contention that President Kennedy or his successors' failure to explicitly mandate the lifetime bar on CIA employment in any way effects the Peace Corps' policy to retain the bar. By Executive Order 12137, May 16, 1979 and its predecessor Orders, the President delegated to the Director of the Peace Corps the authority to set the standards of suitability for Peace Corps service. Having established the basic premise that there shall be a complete separation between the Peace Corps and the intelligence activities of the Government, President Kennedy and his successors have left it up to Peace Corps Directors to implement this policy as they thought fit. However, I would note that when Sargent Shriver first established the policy designed to carry out the President's policy, he ordered that prior service in any intelligence agency be grounds for lifetime ineligibility for Peace Corps service. This rule remained in effect for at least two years before it was modified, and it would therefore appear doubtful that President Kennedy was unaware of or disagreed with this policy. Certainly there is no evidence that he ever sought to rescind it. Nor can we determine that the CIA Director at the time opposed it.

Finally, I would note that the reasons for the policy have been stated often and with clarity, both to the Congress and to agencies in the Executive Branch. There has never, to my knowledge, been an attempt to impute to the policy an intent to denigrate the CIA or the dedicated men and women in its employ. Rather, it has been widely understood for what it is, a necessary means to preserve the credibility of our Volunteers overseas. Without the rule, I fear that those who seek to destroy our program will be provided with the means to do so. For this reason I remain unalterably opposed to any attempt to weaken the present policy which has served us so well.

I would welcome an opportunity to discuss this matter further with you or to arrange for members of our staffs to meet. However, I believe that further delay in issuing the manual section on the intelligence policy pending your response to this letter is not required as our two agencies are now in accord on all but a single issue. Therefore, I have cleared the section for printing and internal distribution but not, as we have agreed, publication in the Federal Register. If any subsequent change in the policy might be required, it can quickly be effectuated by amendment to the section.

I appreciate your attention.

Sincerely,


Loret Miller Ruppe
Director

Attachment

Richard Doyle, Esq.
Associate General Counsel
ACTION
Washington, D. C. 20525

Dear Mr. Doyle:

At our conference of 24 March 1976, you supplied me a copy of your memorandum of 23 March 1976 to Michael H. Hoxie, FEAA Appeals Officer, and presented your agency's request that I acknowledge the history of cooperation that has existed between Peace Corps-ACTION and CIA concerning employment of personnel with intelligence-Peace Corps backgrounds.

I can confirm the following: Since the inception of the Peace Corps, this Agency has prohibited operational use of your agency or its members. This policy originated in 1961 and was reaffirmed by the Director of Central Intelligence in a letter to the Associate Director for International Operations, ACTION, on 18 February 1976. In accordance with this policy and in recognition of the Peace Corps-ACTION policy of not hiring individuals with intelligence backgrounds for positions with international responsibility, it has been the policy of this Agency to inform former and terminating employees that they are not eligible to be employed by Peace Corps or to serve as volunteers.

Additionally, this Agency has not and does not employ former Peace Corps volunteers or staff for a period of five years after their service with Peace Corps. Further, any Agency employee formerly associated with Peace Corps is not assigned to a country in which such employee served while associated with Peace Corps.

The internal regulations of this Agency reflect the contents of this letter. Due to the classification of these documents they cannot be released at this time.

Sincerely,

(Signed) F. W. M. Janney

F. W. M. Janney
Director of Personnel

Dist:

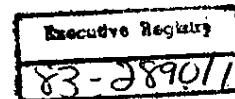
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OGC. Retyped in OD/Pers:jmm (29 Mar 76)

STAT

Central Intelligence Agency



Washington, D.C. 20505



23 JUL 1983

Ms. Loret Miller Ruppe
Director, Peace Corps
806 Connecticut Avenue, N.W.
Washington, D.C. 20526

Dear Ms. Ruppe:

I read with great interest your letter of 3 June 1983 which reflects the highlights of the previous correspondence between our agencies concerning the Peace Corps' proposed intelligence policy.

In our last letter to the Peace Corps on this subject, date 2 January 1980, we attempted to narrow the areas of our disagreement concerning this policy. The letter set forth our objections to certain elements of that proposed intelligence policy and suggested ways in which the concerns of the Peace Corps could be addressed in a manner more satisfactory to both of our agencies.

To briefly summarize our position with respect to the Peace Corps' proposed intelligence policy, our concerns have centered around the following features of this policy:

- The absolute prohibition on the hiring of anyone with a background of Central Intelligence Agency employment;
- The restriction placed on employment of parents and close relatives of anyone with a background of intelligence agency employment;
- The contractor prohibition and certification requirements; and
- The publication of Peace Corps intelligence policy in the Federal Register.

We indicated to you in our letter that, rather than promulgating these broad-scale, unfair, and possibly illegal regulations, a more measured and reasonable case-by-case approach would be better suited to eliminating the perception

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that the Peace Corps is an arm of American intelligence -- a perception which is of legitimate concern to the Peace Corps. Such an approach would look at the facts and circumstances of the individual case and then provide for an employment or contracting decision to be made based upon the perceptions that might arise from the employment or utilization of a particular person or contractor by the Peace Corps. We also suggested that an executive order on the subject would be a more appropriate and effective public mechanism than the unilateral publication of Peace Corps policy in the Federal Register for establishing that the Intelligence Community is specifically prohibited from using the Peace Corps in its intelligence activities.

Based upon your 3 June letter, I believe we can move towards the full resolution of certain of the outstanding differences between us. By limiting the scope of your policy to exclude industrial contractors and their employees from coverage, our concerns regarding the application of your policy to independent contractors have been alleviated. Also, your willingness to refrain from publishing the details of your intelligence policy in the Federal Register goes a long way towards satisfying our concerns in this area.

However, I believe that the general statement you now propose to publish in the Federal Register should be modified further to indicate that the Peace Corps' policy of disassociation from American intelligence activities is longstanding. This is necessary to ensure that a false inference cannot be drawn that the promulgation of an intelligence policy by the Peace Corps in the Federal Register was required because this Agency or other intelligence agencies somehow have attempted to use the Peace Corps for cover or operational purposes. Moreover, since Peace Corps intelligence policy clearly involves a foreign affairs function, it appears that the Administrative Procedure Act does not require publication in the Federal Register of a statement concerning how to obtain more detailed information relating to the Peace Corps' intelligence policy. A copy of our proposed modification of your Federal Register policy statement is enclosed for your consideration.

As to the other matters of concern, it is still our view that the restriction placed on the employment of parents and close relatives of anyone with an intelligence background as it is currently worded sweeps too broadly. In your 3 June letter, you have provided examples of what we understand to be the problems in this area that you really intend to reach by your restriction, i.e., "individuals whose spouses are or were involved in actual intelligence operations" and "the

immediate family of prominent highly placed officials in the intelligence community who might be the target overseas of harassment or violence as a result of their family connections." We would have no objection to a standard which explicitly incorporates these examples, as well as such additional considerations as whether the family member served in an overt or covert capacity, the length of their intelligence service, and the amount of time which may have elapsed since their intelligence service. However, if the policy restriction on the employment of parents and close relatives is not so narrowed, our concern that this policy is inconsistent with basic American values and notions of fundamental fairness remains unresolved.

Finally, we continue to be concerned about the lifetime bar to Peace Corps employment imposed upon employees of the Central Intelligence Agency and believe that less draconian alternatives are preferable. Although our records indicate that President Kennedy issued instructions prohibiting use of the Peace Corps for intelligence purposes, we have no record which indicates that he or any other President ever issued instructions prohibiting for life the employment of Agency personnel by the Peace Corps. Accordingly, we believe that the ten year period of ineligibility should be extended to Agency employees in lieu of a lifetime bar, with the Peace Corps retaining the option to extend the period of ineligibility as warranted on a case-by-case basis. At the same time, the President could reiterate in an executive order the policy of the United States Government not to use the Peace Corps for intelligence purposes.

I think it would be useful for our legal offices to confer at this point in order to determine which issues can be resolved and which issues require appeal to the President. I will ask my Office of General Counsel to arrange such a meeting in the near future.

Sincerely,

~~WJ Casey~~

William J. Casey
Director of Central Intelligence

Enclosure

25 JUL 1983

Enclosure to Letter of William J. Casey dated

~~25 JUL 1983~~

*2.2.5. Intelligence Background. In accordance with longstanding Peace Corps policy, prior employment by any agency of the United States Government, civilian or military, or division of such an agency, whose exclusive or principle function is the performance of intelligence activities; or engaging in intelligence activities or related work may operate to disqualify a person from eligibility for Peace Corps service. DELETED/CONFIDENTIAL/XXE/DELETED/XY/XXE
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*N.B. The new language has been underscored and the language to be deleted has been lined out.

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Letter to Ms. Ruppe, Director, Peace Corps

FROM: Stanley Sporkin
General Counsel
7D00 Hqs

red

EXTENSION

NO.

DATE

18 July 1983

STAT

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Executive Registry
7E12 Hqs

19 JUL 1983

2. Executive Director

19 JUL 1983

3. DDCI

20 JUL 1983

4. DCI

20 JUL 1983

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The attached is a letter to the Director of the Peace Corps which I recommend that you sign. It brings a series of correspondence with the Peace Corps by this Agency to a head. We believe that we can work out the remaining differences and we hope that we don't have to take the matter higher. We have delayed making a response until now because we have been waiting for material from the Kennedy Library which bears on the subject of the Agency's relation with the Peace Corps. Having received that material, it is clear that President Kennedy directed the Agency not to use the Peace Corps for intelligence purposes but there is no indication that he ever sought to bar for life Agency personnel from being employed by the Peace Corps.

Stanley Sporkin

Attachment

STAT

DCI
EXEC
REG

EXECUTIVE SECRETARIAT**Routing Slip**

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14	D/Pers				
15	D/OEA				
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17	SA/IA				
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SUSPENSE

10 June

Date

Remarks:

Please prepare response for DCI's signature.

[Signature]
Executive Secretary
3 June 83

Date

L-265

PEACE CORPS

Executive Registry

83-2890



June 3, 1983

The Honorable William J. Casey
Director, Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Casey:

In the course of revising the Peace Corps manual system, which is a set of regulations, policies, procedures and guidelines which govern the day to day operations of the Peace Corps both in Washington and abroad, I find myself confronted with an issue raised between my predecessors here at Peace Corps and the previous Director of the CIA, Admiral Turner. The issue in question is whether the Peace Corps ought to clarify and reorganize its policy with respect to the eligibility of persons with intelligence background for Peace Corps service or employment. Strong arguments for doing so were raised during the last administration, and I find them to be persuasive today, particularly within the larger context of attempting to update the Peace Corps manual system for the first time since 1973.

The current published policy, which is contained in two separate manual sections, is different with respect to the standards applied to applicants for employment as opposed to Volunteer service, and does not have established procedures to ensure the consistent application of these standards. These are important shortcomings which, I believe, must be corrected.

On the other hand, we recognize that in the past correspondence between the CIA and the Peace Corps, legitimate matters of concern to the CIA were raised by Admiral Turner and his General Counsel, Mr. Silver. In redrafting and simplifying the proposed manual section, I have asked that particular attention be given to modifying the policy to positively address these concerns consistent with Peace Corps' fundamental need to ensure the complete separation, both in appearance and in fact, between our two agencies. The result, which I am enclosing, is, I believe, a manageable compromise. I am requesting that you take the time to review the proposed section to determine whether you agree.

For your convenience I am highlighting below the major areas of concern raised by our former drafts which were commented on by Admiral Turner and Mr. Silver, together with an explanation of our treatment of these issues.

- 2 -

Mr. Silver and Admiral Turner objected that the Peace Corps' initial proposal to apply the intelligence bar to contractors and their employees was overbroad, difficult to enforce, and raised issues both of fairness and national security. I concur with the validity of these concerns. As you will note the current proposal is limited in its application to personal services contractors only. Such individuals, whose services are ordinarily obtained by the Peace Corps under contract to perform programming and training functions overseas, are often so indistinguishable from Peace Corps staff overseas that information that they had previously engaged in intelligence activities could jeopardize our program. Please note that while we have eliminated from the policy reference to contractor's employees, we are still concerned that contractors providing training to Peace Corps Volunteers overseas not use persons with intelligence backgrounds to perform such services under these contracts. To avoid problems in this area, we plan to put notices in the RFPs for such contracts that the use under the contract of employees with intelligence backgrounds such as would bar employment with the Peace Corps, will be prohibited by the terms of the contract.

A second concern was with the fact that applicants, members of whose immediate family had been employed by intelligence agencies, could in some cases be ineligible for Peace Corps service under the policy. We have added language to clarify that determinations in such cases will only be made on a case by case basis using criteria set forth in the manual section. The intent here is primarily to codify a current policy excluding from Peace Corps employment individuals whose spouses are or were employed in actual intelligence operations. We have had actual experience with a staff member married to a former CIA employee who had to be removed from his post after his wife's background became known locally. We could also exclude under this policy the immediate family of prominent highly placed officials in the intelligence community who might be the target overseas of harassment or violence as a result of their family connections.

Another concern was with publication of the proposed regulation in the Federal Register. Admiral Turner believed that such publication could be taken as a pejorative reflection on the CIA and other organizations in the intelligence community. While I do not personally believe that the policy is intended or ought to be seen as pejorative in nature, I have made an effort to ameliorate this concern within the framework of the requirements of the Administrative Procedure Act. Two sections will be printed in the Peace Corps manual which deal with eligibility for Peace Corps service. A general section will cover medical, age, citizenship, and other requirements and will note that the Peace Corps has an intelligence policy. It will refer the reader to the Peace Corps General Counsel's Office for a copy of the second section which I have enclosed setting out the policy in detail. Only the general manual section will be published in the Federal Register. The manual section currently under discussion with you will not appear in the Federal Register, but will be printed and distributed to holders of the Peace Corps manual as part of the overall manual revision I noted above.


Finally, your predecessors raised the issue of the life time exclusion of CIA employees from Peace Corps service or employment. This policy has been enforced without exception since the establishment of the Peace Corps in 1961. It is my belief that it is this policy, as much as any other effort we have made, which has prevented any of the numerous attempts to link the CIA and the Peace Corps from achieving credibility since not a shred of evidence could be developed to support such charges. In one case, policy may have saved the life of a Peace Corps Volunteer in Columbia who was kidnapped by a guerrilla group which threatened to try him as a CIA agent and execute him if it "found him guilty." Such was the reputation of the Peace Corps in Columbia and the lack of credible evidence to support the charge, that no attempt was ever made to carry out the threat.

I fear that any retreat from our longstanding policy might in and of itself have an inimical effect on the credibility, and in some cases even the safety, of Volunteers serving overseas. I am therefore very strongly committed to the retention of this rule. However, to minimize any negative effect the policy might have on the image of your agency, we have, as noted above, taken steps to eliminate reference to the bar in our published regulation.

At this point we are under some serious time constraints in trying to adhere to the printing schedule we have established for the completion of the manual revision project of which this section is an integral part. Thus, we would greatly appreciate your prompt consideration of this draft. If you believe it would be useful to have our staffs meet to discuss the issues I have discussed above or other concerns you might still have about the policy, please feel free to call my General Counsel, Alexander B. Cook, at 254-3114.

Thank you in advance for your assistance in expediting this matter.

Sincerely,


Fred M. Rupp
Director

Enclosure

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